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The National Monthly

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By Matthew Woll

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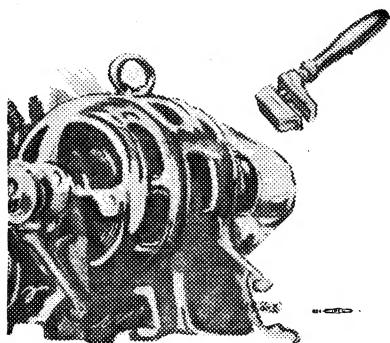
The National Monthly

Giant Power Challenges Workers

I. *The Pinchot Plan*

By EVELYN PRESTON

New inventions and new economic developments demand study and action on the part of the workers. Big Business cannot be allowed, as in the past, to see ahead and defeat by new steps all that workers have won and intend to win. Giant Power is today the greatest of the challenges in the field of new things, to American toilers. Here is a clear-cut statement of the situation, with the plan proposed by Governor Pinchot suggested as the remedy.



The Smith Plan in New York and "No Truce with Private Ownership"—the LABOR AGE idea—will be discussed in future articles of this series. Put together, these articles will give a picture of the power fight, that should put strength into the drive of the workers for democratic control of the Electric Giant. Business itself is not entirely united on the idea. This cartoon, taken from NATION'S BUSINESS, shows the new Giant Power throwing a wrench into the electric industry of Pennsylvania. But Giant Power—through coal or water—cannot be halted, any more than the machine could be halted in the Industrial Revolution days.

THE American workers will have to get a move on if they do not want to see the electrical industry reach maturity without awarding them a full share of all the benefits that it can confer. The happy hero of the industrial stories with which we are familiar has always been the business man, whether the fairy-godmother be coal, oil, or transportation, while the workers have played the alluring part of sleeping beauty. These tales have been repeated often enough to merge into a proletarian folklore. I for one am beginning to get a bit tired of them all, and think it high time we shifted the roles around a bit. Unless the stage director gets busy, however, it looks as though electricity, the most fascinating and mysterious of our fairy-godmothers,

would flash her dazzling beauty upon the privileged few, and still leave the workers sound asleep.

It seems to me that if we are to be effective in controlling the development of Giant Power in the interests of the people, we must approach the problem with a new attitude. In the first place, we must ask ourselves if we have the imagination to foresee possible dangers, and take steps to prevent them, or must we resign ourselves to a dullness that only takes action after the situation has become unbearable. The steam engine came upon man unawares, and we have inherited misfortunes that might have been prevented if our forefathers had had the vision to foresee its consequences. But even today, as soon as a period of reasonable prosperity in-

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vades the country, we tacitly accept the world as it is, and make no effort to keep our leaders from doing things that can only end in bitter conflicts. Perhaps the drastic changes that electricity can make in our lives have not yet reached the point where our legal and social institutions are endangered; but do we have to wait until the worst is over before our interest can be roused? I hope that we shall not have to accept such an indictment of human intelligence.

Shall We Swallow Electric Interests' Pills?

Besides the necessity of being on the job, so that we learn to preserve the public health rather than to try and cure the disease later on, we must have a different approach to injustice. In the old days, obvious cases of cruelty and poverty were food for the imagination, and great waves of social reform were launched on the backs of such situations as railroad exploitation. Today the progressive movement is weak because wholesale prices have fallen and union wage rates have slightly risen. Leaders of the electrical industry are fond of telling us that the American worker has three times more power at his elbow than the worker of any other land, and that the price they charge for current not only did not rise during the war, but steadily declined ever since, despite the higher cost of equipment and of labor. I admit the truth of all this, but I refuse to be satisfied. Are the workers of America going to swallow such pills? Or are they going to say: "We don't want our lot to be compared with that of the European worker. We want the best we can get here and now." The point is that we must not have relative standards but absolute ones. It is very kind of the electric utilities to reduce the rates. What I want to know is: "Are they as low as they can be?"

A final suggestion as to attitude. Don't let us underestimate our opponents. It is very comforting for the radical to label every business man as a crook or a meddler, but let me assure you that men leading the electrical industry have learned a lot from experience. For one thing, they have become reconciled to government regulation. Owing to the fact that the electric utilities are natural monopolies, they have been under the control of the public service commissions from childhood. The degree of their exploitation cannot be as great as it was with new industries in the past when the sky was the limit. Then they know that they cannot prosper without a favorable public opinion. The war taught them the value of propaganda. Launching a Liberty Loan Drive has nothing on the utilities when it comes to whooping up the enthusiasm and confidence of their customers. One of their pet lines today is to increase the number of their stockholders among employees and consumers, and to call that "true public ownership". Are the workers in any way equipped to explode all that bunk? Perhaps the situation lacks some of the dramatic elements of the 19th century, most because the business men do not seem as hard boiled as they used to be, and kneel at the altar of "public service", but if the workers once caught a clear glimpse of what electricity could do to ennoble life, they would

not stand a moment for any system of operation that fell short of their rightful expectations.

What then are the changes that can be wrought by this magic wand? Electricity, at first used only for lighting, is being used more and more for power. It has been estimated that in 1925 72% of the output of the public utilities was used for power and only 28% for electric lighting. The worker, with this increasing amount of power at his disposal, should expect his hours of work to be progressively shortened. Electricity in the home should enable his wife to make economical use of such labor saving devices as the electric washer, the mangle, the refrigerator, so that her housework is reduced to three or four hours a day. The home surroundings could everywhere be made clean and attractive with a minimum of effort, and instead of ending each day tired and irritable, she would fulfill all her possibilities as companion to her husband, playmate to her children, and a vital force in community life. This is not an idle dream, but has already a basis in reality wherever electric current is cheap.

Killing Drudgery

One of the most farreaching effects of the widespread use of electricity should be a reinvigoration of rural life. The farmer is potentially a power user, but up to date, less than 3% of all the farms in the United States use electricity from central generating stations. This dearth of current is due partly to the prohibitive rates which are based on urban domestic rates *plus* something more. Electric utilities have had their hands full meeting industrial demands, and only an effective outcry from the farmers themselves will force a change of policy, and an application of the general principle that everyone has a right to power. Then the drudgery of farm life will decrease, and the sons of farmers will not be in such a hurry to leave home. This may seem to have only an indirect bearing on the industrial worker, but by relieving congestion in the cities, it becomes of interest to him also, and should prove one of the important planks upon which farmers and workers could achieve unity of action.

What are a few of the specific steps that the organized workers can take to bring these things to pass? The electrical industry has a capital investment estimated at \$6,600,000,000, which exceeds the investment in the automobile industry and represents nearly one-third of the total capital invested in the railroad systems. The gross earnings have doubled in each five year period and in 1925 exceeded \$1,500,000,000. In 1924 the volume of electrical energy produced was fifty-four billion kilowatt hours. What can the workers do to guarantee that this gigantic industry prove the servant of man and not his master? They can urge upon their legislators the necessity of interstate or federal regulation of rates. Since the advent of long distance transmission, state boundaries have lost their legal value. Now, over the 220,000 volt high tension line, current can be transported 300 miles with less than a 10% loss. One of these lines spans Southern California, and a 110,000 volt line runs from Alabama to North Carolina.

When a drought occurred in North Carolina sometime ago, power was shot to the cotton mills all the way from Alabama so that the machines were not idle for a moment. The development of high tension transmission has brought about a system of interconnection between separate companies, so that larger and larger districts are "tied-in". The western coast is tied-in for 1,200 miles from Washington to the Mexican border. We have already spoken of the South Atlantic district. The future will see a crystallization of other "power districts"; the Boston-Washington area, the Pittsburgh-Cleveland-Chicago-Minneapolis area, the mountain states.

Past Regulation a Failure

Rate regulation is now a function of the state public service commissions. Supreme Court decisions since 1915 have allowed an average 8% net return on the value of the property of the electric utilities. When money can be borrowed at 4½% or 5%, the utilities are able to pay 10% or 12% on their stock. The basis of the valuation is usually the cost of reproducing existing equipment at present market values, less depreciation. This is a very difficult, expensive and inaccurate process. The utilities employ expert legal and engineering advice, and nearly include the moon in cost of reproduction; and the public service commission, understaffed and overburdened with routine cases, plays a passive role. The workers must demand militant public service commissioners who will be on the aggressive to safeguard the public interest. A different system of evaluating property would immensely strengthen their hand. If the method, already applied under the Federal Water Power Act of 1920 to power plants erected on navigable rivers, were made universal, rates would be based on what had been prudently invested in the company, which can be easily ascertained at any time from the books. There is no reason on earth why the public should pay for increased land values, or other unearned increment.

But even if we could secure effective public service commissions the state is no longer a sufficient basis of control. High tension transmission, by carrying the current over state borders, will relegate it to interstate commerce. According to Supreme Court decisions in similar cases, the state public service commission could have no say over current bought from another state at wholesale price. The instruments of regulation to be effective must cover the area to be regulated. In another paragraph we described the possible "power districts". Either the states comprised in each area will have to agree by treaty to set up joint commissions, or else the federal government may have to be brought in. Discussions of this problem have already started between the public service commissioners of the New England states, and informal meetings have taken place between Pennsylvania, New Jersey and New York. The trade union leaders should closely follow this development and assure themselves that something is done. Furthermore, the joint bodies created should not be confined to rate regulation, but should plan the proper lay-out of

the great transmission lines. W. S. Murray, a prominent engineer who sees eye to eye with the utilities, admits the necessity of creating a body of engineers who would coordinate activities over an entire district. According to his idea, this would be a voluntary organization within the industry itself, but to protect the public, such a function is necessarily a governmental one.

The advent of long distance transmission has done away with the small plant generating current for a limited area in its vicinity. The central generating station supplying wider and wider areas is becoming the rule in the electric utilities. Great turbines, each unit sometimes as powerful as 60,000 kilowatts lie side by side to build up stations that can generate 200,000 kilowatts and more. The driving force behind the industry that has compelled the establishment of large scale production is the need for finding the cheapest sources of power. One of the first principles of economics is that the more constantly every bit of capital invested is in use, the cheaper becomes each unit of goods manufactured, and the larger the return on the investment. This is particularly obvious in the electrical industry. The plant had to be large enough to meet the peak demand—say, lighting at nine o'clock in the evening. At nine o'clock all the equipment would be in use, and at other times of the day, parts of it or all of it would be idle. In order to find other uses for their equipment, the leaders of the industry went out seeking other demands. They realized the advantages of using electricity for power, and encouraged the factories to use central station current by quoting extremely low rates (around 1 cent a kilowatt hour). Now the "power load" is more important than the "lighting load" as a factor in steady demand. It stands to reason that different industries use power in varying quantities at different times, and that the more diverse the demand for current, the more constant will be the operation of the power house, the cheaper each unit of power, and the greater the return on the investment. Little by little, all our homes, factories and farms will be dependent for life on the same, single, source of power. Those who direct that power will vie with the bankers and the credit system in controlling human destiny. Such a monopoly is certainly a challenge to our imagination!

Waste of By-Products

Although, up to a certain point, the sifting out of the cheapest source of power and the immediate pecuniary advantage of the business man go together, there comes a time when these interests diverge. For example, they care very little about future generations and use up our natural resources with gay negligence. To the popular mind, Giant Power, or Superpower, usually means water power, but nothing could be further from the truth. If all our streams and rapids were harnessed with the most up-to-date machinery, they could even then only supply one-quarter of our total power needs. We must still look to coal as the original prime mover. Under present engineering practice, coal is brought from the mines to the great power stations on the sea-board, and burned in its natural state. This is due to the fact that

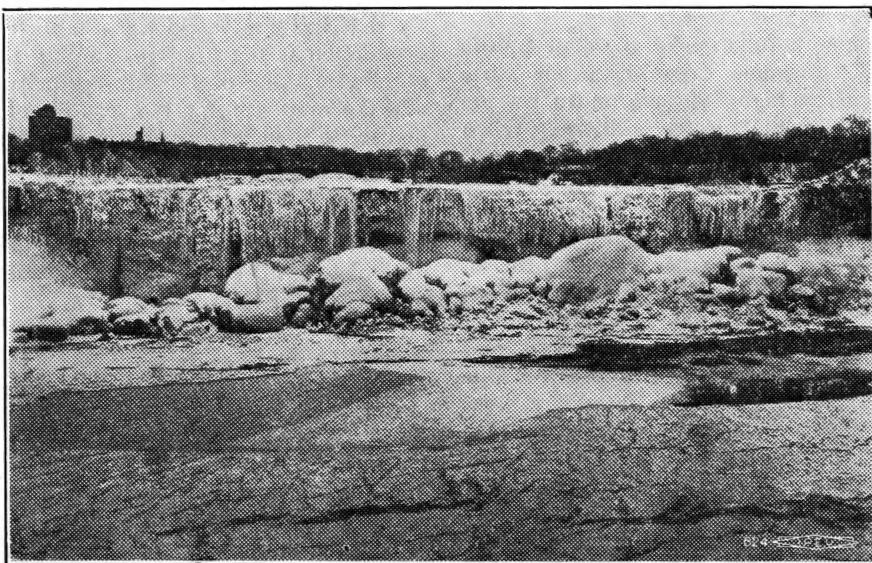
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steam must be condensed and that we use 400 tons of water for every ton of coal.

Although technical improvements are automatically conserving coal, in that 1.4 lbs. of coal produced one kilowatt of electricity in 1925, whereas it took 12 lbs. in 1895, still the waste is inexcusable. Precious ingredients of coal, such as tar, ammonium, and gas, go up in smoke. The utilities themselves show little desire to preserve these by-products. The workers must demand that in the future the great central stations be built near the mouth of the mine. In coal producing states, they must ask for the creation of special Giant Power Boards

erations paying rates that are high enough to earn a return on inflated capitalization. Consolidation is going on rapidly in the electric utilities. The device evolved is the holding company, which buys up the common stock of the subsidiary companies. Not being a public utility itself, it does not come under the control of the public service commission. In the process of consolidation, the small plants hold out to the highest bidder, and stock jumps 100% in value as it changes hands. It is all very well to say that the holding company can only prosper if its subsidiaries prosper, and that these can only earn an 8% return. We have already noted the

SHALL NIAGARA REMAIN FROZEN?



The Superpower fight—hand in hand with Giant Power's use of coal—is to free our water power for the benefit of the workers.

whose sole duty will be to control this development. There are certain rivers running through coal districts where enough water for condensing purposes can be found. If a by-product plant is installed, the cost of sending coke produced current over high tension lines will be less than the cost of transporting coal by rail. The Giant Power Board should satisfy itself that any private company undertaking to establish a mine mouth plant meets its requirements as to size, equipment and prudent investment. The Board should keep an effective check on private enterprise by issuing only fifty-year permits. At the end of this time, the board could either turn the property over to some other company, or purchase it for the state at a prudent investment value.

If the policy outlined above is pushed, the public stands a better chance of getting a square deal. There is no time to lose, if we do not want to go on for gen-

dangers inherent in the present method of evaluating property. And furthermore, the final director of industrial policy is the investment banker rather than the public service commission. Unless the utilities earn their full measure upon their fictitious as well as their valid capitalization, they cannot hope to launch their securities with ease, and we can be sure that they will find ways and means of doing so.

There in brief is the problem facing trade union leaders. They must demand cheap current for those who have not got it yet—the working class home and the farm—and they must see that in the process of getting it, the private companies adapt a well considered and honest social policy. If this is not done now, the people of the United States will inevitably turn to the only feasible alternative: public ownership.

Cheap power, coming at us rapidly, can be a menace to the workers as well as a blessing. H. S. Rauschenbush has summed the matter up in a few words in his new pamphlet on THE PEOPLE'S FIGHT FOR COAL AND POWER (League for Industrial Democracy). Cheap power, uncontrolled, means men out of work. It means the Fordizing of the job.

Union Life Insurance

By MATTHEW WOLL

DEMOCRATIC AND ECONOMICAL

MATTHEW WOLL'S article is the first of a new occasional series on Labor's group efforts. Group insurance, up to now, has been in the control of the Employers, and used for their ends. Life insurance in general has been carried on, along extravagant lines. It can be made much cheaper through Labor control. This was the opinion reached by the A. F. of L. Committee which created the new venture.

ON January 18, 1926, the offices of the first unusual company owned and officered entirely by trades unionists, dedicated to the service of labor, was opened in the American Federation of Labor Building in Washington, D. C.

With a determination to proceed conservatively the officers had determined that no insurance would be written till the amount set in its report—\$600,000—was in hand. Before a letter offering its stock for sale had been mailed subscriptions aggregating \$100,000 were received, and requests for group coverage, local and national, as well as for individual policies came in daily. With this practical proof, first of hearty support financially, and the demand (the need being well known) for protection for our people, the pioneers in this work foresee a wonderful future for the latest advance by the hosts of labor.

Turning back to the steps leading up to the formation of this company, the observer will note that it has not been a hastily considered matter. Indeed, one must go back thirteen years to find the initial movement, when the Seattle Convention authorized an investigation of the costs of insurance by then existing companies and the advisability of establishing an agency to provide labor insurance at the lowest possible cost consistent with safety to the insured and the institution issuing the coverage.

Quoting from the foreword of President Green to the final report of the committee which had labored so faithfully for twelve years on the matter:

"Trade Unions are furnishing members with union benefits but have found restricting limitations in plans not based on actuarial principles. A number of unions have reorganized their benefit systems along the more modern principles of insurance and have found therein a strong cohesive force.

"The American Federation of Labor was formed primarily to develop the economic strength of the wage-earning men and women of our nation, to mobilize their

strength and to improve the standards of living spiritually and economically. The Federation's primary concern is the conservation of labor economic power, but it is also the Federation's duty and privilege to promote the welfare of wage-earners in all possible ways. We regard such supplementary activity as important but we urge that all such undertakings be conducted as supplementary to the trade-union movement and necessary precautions observed to maintain functional perspective.

"National and international unions have been pioneers in the field of union benefits to relieve their members of the hazards of occupational calling and union activity. A number of these unions are *planning to make these benefits more substantial.*"

"To make these benefits more *substantial.*" Despite the fact that Union labor pays in excess of one hundred million dollars per year in insurance premiums yet *thirty* per cent of our people have *no insurance protection* other than that provided by the benefit funds of their unions. About forty per cent are insured for less than \$500 each in addition to the protection of the union benefit funds. *More than ninety per cent* of the insurance carried in the public companies by members and their families is in the form of what is known as "industrial policies" on which weekly collection of premiums are made. Does any reader of this magazine fail to know that the benefit paid on this latter form of insurance barely covers the cost of decent interment? While on this phase of our story, does any reader fail to know that the insured under this type of coverage is paying from two to five times as much proportionately as should be paid for real protection?

About eighty-five per cent of the national and international unions operate benefit funds or relief plans. Most of them provide benefits ranging from \$50 to \$350. Because they are conducted practically without expense and because of the small benefit amount they are probably safe, and have undoubtedly done well the work for which they were designed. Their operation will not necessarily be affected by the establishment of the Union Labor Life Company. Yet it can be readily seen that there is vital need for a company such as ours to provide larger benefits at as low a cost as can be proven safe, to give to the family sufficient funds to tide over at least the first year following the death of the wage earner. With these conditions existing a conference called for July 21, 1925, of presidents of national and international unions aided by insurance authorities, insurance com-

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missioners, and with the friendly cooperation of disinterested experts adopted a plan for a well financed, carefully officered insurance company for union labor.

The story had hardly reached the press, when checks for stock began coming in without solicitation. Requests for policies of insurance followed before an office had been opened and the leaders, already burdened with the affairs of their own organizations, had to find time to handle the great correspondence that ensued.

By the middle of January, however, matters were somewhat adjusted by the employment of trained assistants who are now engaged in the recording of stock sales to the subscribers. Concurrent with this work, the leading actuaries of the country will be busily planning forms of policies, preparing rate literature and setting up a system for the actual business to be done by the company.

A word as to the latter. After considering carefully the various forms of organization, all with advantages and all with disadvantages, it was deemed wisest, because safest, to organize a stock company. Accordingly 1926 saw a new corporation born in Maryland under the title *Union Labor Life Insurance Company*, with authority to do business when \$300,000 were in the treasury. The organizers, well known in the labor world, are Matthew Woll, Int. Photo Engravers' Union of North America; G. W. Perkins, Cigarmakers' International Union of America; Luther C. Steward, Nat'l Federation of Federal Employes; Thos. F. Flaherty, Nat'l Federation of P. O. Clerks; Elmer E. Milliman, United Brotherhood of Maintenance of Way Employes and Railway Shop Laborers; James Maloney, Glass Bottle Blowers' Ass'n of the U. S. and Canada; Thomas E. Burke, United Ass'n of Plumbers and Steam Fitters of U. S. and Canada; Thomas C. Cashen, Switchmen's Union of North America; James M. Lynch, Int. Typographical Union; Martin F. Ryan, Brotherhood Railway Carmen of America; W. D. Mahon, Amalgamated Ass'n. of Street and Electric Railway Employes of America; Wm. H. Johnston, Int. Ass'n of Machinists; Jos. N. Weber, American Fed. of Musicians; A. A. Myrup, Bakery and Confectionery Workers' Int. Union of America; Morris Sigman, Int. Ladies' Garment Workers' Union; Jos. C. Orr, Int. Printing Pressmen's and Assistants' Union of North America.

These incorporators on the granting of the charter were named as the first directorate of the new company. For further guidance an advisory committee was elected composed of the following:

Building Trades Department, Wm. J. Tracy, Secretary.
Metal Trades Department, Jas. O'Connell, President.
Engineers, Int'l. Union of Steam and Operating, A. M. Huddell, President.

Hotel and Restaurant Employees' International Alliance

and Bartenders' International League of America, Edward Flore, President.

Leather Workers, United, W. E. Bryan, President.

Longshoremen's Association, International, Anthony J. Chlopek, President.

Molders' Journal, International, John Frey, Editor.

Paper Makers, International Brotherhood of, M. H. Parker, President.

Plasterers' and Cement Finishers' Int'l. Ass'n., Operative, T. A. Scully, Secretary-Treasurer.

Pulp, Sulphite and Paper Mill Workers of the United States and Canada, International Brotherhood, John P. Burke, President-Secretary.

Railway Mail Association, W. M. Collins, President.

Stereotypers' and Electrotypers' Union, Int'l., Finifeld T. Keegan, President.

Teachers, American Federation of, F. G. Stecker, Secretary-Treasurer.

Textile Workers of America, United, Sara A. Conboy, Secretary-Treasurer.

Upholsterers' Int'l. Union, Wm. Kohn, President.

California State Federation of Labor, Paul Scharrenberg, Secretary-Treasurer.

Illinois State Federation of Labor, J. H. Walker, Pres.

Minnesota State Federation of Labor, E. G. Hall, Pres.

New York State Federation of Labor, James P. Holland, President.

Pennsylvania Federation of Labor, James H. Maurer, President.

Texas State Federation of Labor, Geo. H. Slater, Sec'y. Washington State Federation of Labor, W. M. Short, President.

Wisconsin State Federation of Labor, Henry Ohl, Jr., President.

Wyoming State Federation of Labor, Harry W. Fox, President.

Chicago Federation of Labor, John Fitzpatrick, President. Central Labor Council, Los Angeles, John S. Horn, former Secretary-Treasurer.

Richie, Joseph M., Philadelphia, Pa.

Boston Allied Printing Trades Council, Daniel J. McDonald, Secretary-Treasurer.

Cleveland Typographical Union No. 53, James J. Hoban, President.

The Journal of Labor, Jerome Jones, Editor.

Liberty Bank, Daniel C. Murphy, Vice-President.

Thus manned, the ship has set sail with a sound hull and rigging and bearing the hopes and aspirations of labor.

Its sailing directions are clear and open to the world, and its port of destination a safe harbor for the protection of hundreds of thousands of the most precious commodity known to good Americans—the family.

Beauty and the Beast at Passaic

A Tale of the Animal and God Who Is Called Man

By LOUIS FRANCIS BUDENZ

DREAMS. Dancing with the flames through the open door of the little coal-stove, in the center of the room. Rushing hither and thither through the alternate shadows and dim light flashes on the torn and smeared paper of ceiling and walls. Fixed in the eyes of the three children—Roszika, Janos and Istvan—as the fire threw its flare over their faces. Dreams of the land of make believe. Of that striving for ambitions and things unseen—mystery, romance and art—which make us men and women, "children of God", and not merely mammals. Dreams that seemed foreign to the close, damp stench of the room.

That was the picture that greeted us, as we came through the dark and cramped "hallway", and stood in the open door. It had opened at our knock, which was much of a push, and the children were unconscious of our coming.

"Where is your mother?" we asked.

"She is at the back," Roszika pertly answered—and the crushing and grating of guttural sounds from the rear indicated conversation in that quarter.

"What are you doing?" we continued, in order to show ourselves gracious.

"Telling the story of Beauty and the Beast," volunteered Istvan. "Abe Preiskel is the beast."

"No, it's the Botany Mills," objected Janos.

"It's both," affirmed Roszika. And that sounded right.

"And who is the beauty?"

"It's Miss Flynn," said one.

"It's the workers," said the other.

"It's both," said the third.

That sounded right, too. The sign of the beast has been on Passaic for years. It is not merely shown in the swinish features of Abe Preiskel, Commissioner of Public Safety by grace of the mills and remnant broker for the said mills in the city of New York. It is not only shown in the criminal record of Richard O. Zober, Chief of Police, under the said Preiskel—who is in America by virtue of the German justice which confined him to jail for many months as a common thief. It is not merely in the lick-spittle "Americanism" of Colonel Charles F. H. Johnson—who used his influence as a swivel chair officer in the Great War and a professional hater of the Germans to turn the mills over to their Kaiser-loving owners when the war had closed.

Copperheads

(William Lloyd Garrison, in a letter the original of which I have seen, distinguishes in his charming way between a pacifist in the Civil War and a Copperhead. The owners of the Botany Mills were no pacifists. They were the Copperheads of 1918.)

The beast of police terrorism has roamed at large in Passaic, since it has become a mill city. Four years ago it showed its fangs in the crushing out of workers' meetings, even when held in private halls. It presented that historic picture in the American labor fight, of uniformed manhandlers using night sticks on union workers and driving them out of their own meeting places. It gave rise to that unique reading of the free speech sections of the Constitutions of the United States and New Jersey, by candle light, at that time four years ago; when the "officers of the law" resorted to the cheap device of turning out the electric lights on a protest meeting.

When the new uprising of 1926 flashed forth, force was the first thought of the officials of that God-forsaken town. The Dinosaur of prehistoric times had used force so much that it forgot how to use its brains. So it was with the rulers of Passaic. The beast roared and snorted and trampled men and women strikers, in its wrath. But it showed no respect for personalities—reporters and photographers feeling the policemen's club, along with the lowly Polish, Hungarian and Slovak strikers.

A flood of publicity lighted up Passaic—showing its filthy hovels, its sordid wage rates, its unhygienic conditions that scoffed at its claim to have any part or parcel with "Americanism". Sunlight, Louis Brandeis says, destroys the germs of disease; electric light opens the way to clear and healthy thinking. The light of publicity shot into the darkened nooks and crannies of Passaic, showing the rotting dead men's bones of its whitened sepulchre.

All Races Met Together

Contrasted with this putrid mess, came new hope and life to those who had lived in its darkened places—its damp and nauseating "homes", its consumption-breeding works. "Strike" meant a new day. A smashing of the \$12 to \$25 a week wages that had been forced upon them. An ending of the foreman's lash which had been cracked at them.

THE
BEAST
IN
ACTION



"New York World"
thus portrays
attacks on
strikers and
news reporters
by
Jersey Police

Enthusiasm was their guide. Halls crowded to the limit, echoed with shouts of approval, as speakers opened up the true tale of Passaic. There sat all the races of southeastern Europe, men and women, struggling to catch the speaker's English through the haze of their scores of idioms. Children too—Roszika, Janos, Istvan and the rest—interpreting the speaker's meaning to their parents when it was not clear. Kerchief and shawl and other remnants of old world life crowded into the new setting of American industrialism. But the old issue was there—the issue of freedom; not now against the Baron or "Herzog" or "Grof" or other feudal Lord, but against the new feudalism of the men without ideals—who bought and bartered even "patriotism", in rejecting internationalism and industrial justice.

The issue was there. The response was there. Clashing as their tongues might be, their unity against their common enemy was something religious, child-like, loyal. Through that unity they broke the grip of the Cossacks. They established the principle of mass picketing, almost forgotten in the annals of American labor. There must be some gratitude felt to these immigrant men and women.

There is the Beauty in Passaic—the spirit of faith and hope and solidarity in the homely souls of the strikers. Properly directed, it should win—and bring back to reality those dreams which even mill children should have. God! Who are entitled to such, more than they?

But—Mrs. Kovacs finally came in; a squat, broad little figure, as foreign women so often are. Shawl crossed over her shoulders and breast, kerchief still on her head.

"Vy, kinder, vy haf you not called me?" Without waiting for reply: "You must excuse. I talk to poor Yancsi. She has sore legs—bad. But we must vait. No doctor, all the time. I get \$16 a week, and my man sometimes \$20, sometimes not so much. Ve cannot stand cut."

Smiling: "Istvan before, he vant to be policeman. Not now. 'Never again', he say. Policeman no good, same like in Europa. Roszika vant something better, teacher maybe. All can say: Mills von't allow. Got no money—Got no chance."

Then Mrs. Kovacs told us many things—that made our blood boil, and hot blotches of anger stand in our cheeks. They cannot be repeated now. They are another story.

Congressional investigation of the Passaic strike was moved by Senator Robert LaFollette, after a committee of strikers had visited him. The strike is now in charge of the United Front Textile Committee, 743 Main Avenue, Passaic. Although this group is not connected with the United Textile Workers of America, President Thomas MacMahon of that union has commended the effort against the wage cut, in the pages of the TEXTILE WORKER.

Brookwood's Pages

American Labor in the War and Post-War Period

By ARTHUR W. CALHOUN

LABOR COMING OF AGE?

WE call this article to your particular attention. In a few words, Arthur Calhoun has summed up the changing view of Organized Labor toward correct wages and control of industry. At the Portland convention, the A. F. of L. went on record in favor of "industry democracy". The steps leading up to that declaration are outlined below. They are an indication of the further steps along that line that American Labor will make in the future, in its "coming of age".

THE TREND OF UNIONISM SINCE 1913

DURING the period from 1913 to 1920 the membership reported by A. F. of L. unions doubled. This phenomenal growth was largely a result of the boom of war industries together with the government labor policy, which, by way of promoting production, favored collective bargaining. Even under such conditions the increase of membership in the A. F. of L. was small as compared with the earlier period of equal length from 1897 to 1904, when there was more than a seven fold increase. It could not, of course, be expected that membership would multiply so rapidly in the later period as it did in the earlier formative epoch when the initial spurt was on; but on the other hand it is not to be forgotten that the war boost did not altogether signify an increase in real unionization. Many of the new members were put on the roll without being in any sense converted to the principles of unionism.

In view of this fact it is not to be wondered at that since 1920 there has been a decrease of some thirty per cent in membership reported, especially since periods of unemployment may reduce the total of paid membership without signifying that there has been a corresponding abandonment of union connection. The loss of a number equal to about two-thirds of the 1913-20 increase is not to be regarded as a great set-back to unionism, particularly when we consider the wiping out of war industries, the red scare, and the open-shop drive.

Labor has a big problem, however, in the trustified industries, in the organization of the unskilled, and particularly in the metal trades, where, on account of the direct influence of invention it is perhaps hardest to maintain stable standards. Emphasis on "co-operation" in industry, which is prominent in official union propaganda, is presumably a move for public support in the

efforts of organized labor to acquire a recognized status in American industry. It remains to be seen how far unionism by consent is possible, whether the consent required be that of the employers or that of the public. It may be of significance in this connection to refer to a recent speech before a manufacturers' association, in which a demand was put forward for the reorganization of the United Mine Workers along craft lines, with a labor aristocracy in control, and with abandonment of attempts to "control the industry". Some such terms very likely represent the sort of conditions on which the employers and the public might consent to the acceptance of the principle of unionism.

In this connection, it is necessary to refer to the ups and downs of efforts toward industrial unionism during the period since 1913. During this time, the I. W. W. passed definitely out of the picture, largely because of war-time persecutions, but also because of the impossibility of maintaining stable organization on the truculent lines pursued by the wobblies. The amalgamation movement continued, however, the recurrent tendency for the reorganization of unionism on more inclusive lines. In 1919 the A. F. of L. entertained a proposition to change to organization based on industries or plant unions and to make all working cards universally interchangeable. The rejection of this proposal did not prevent the presentation in 1921 of a plan providing that the internationals surrender autonomy to the extent that power to arrange and decide economic programs and policies should rest in the executive council of the A. F. of L. with such restrictions as the judgment and experience of the workers dictate. This proposal was, of course, rejected. Nevertheless in March, 1922, the Chicago Federation of Labor issued a call for the consolidation of all craft unions into industrial unions, and by the spring of 1923 more than a dozen state federations of labor, five international unions, and hundreds of city centrals had gone on record in favor of the amalgamation principle.

It is important to observe, also, that in 1923 the A. F. of L. in defeating amalgamation resolutions, although it branded the amalgamation agitators as disrupters and enemies of Labor, called attention to the fact that it does not restrict its membership to the craft form of organization and does not put obstructions in the way

LABOR AGE

of amalgamation. In fact, the general failure of efforts for what on the face of it looks like a reasonable attempt to meet the requirements of modern industrialism can not be attributed solely to the selfish obstructionism of leaders. Other factors are the survival of craft aristocracy, with its indifference to the interests of the "lower" grades of labor; lack of intelligent appreciation of community of interest; and the difficulty of arriving at a uniform type of organization at a time when industrial methods and conditions are undergoing such constant change. Amalgamation can not be produced by a mere change of officials or structure. It will come with the increasing need, with the increasing realization of community of interest, and with increasing education of those concerned to their real situation and its requirements.

Mention must be made also in this survey of the trend of unionism since the war period, of such notable economic activities as the endorsement and support of the co-operative movement together with the subsequent resort to union business ventures, and also of the rise of interest in the problem of production. These tendencies are of the sort to be expected in a period of depression, when it is hard to bring direct pressure on the employer.

Especially sensational among such activities was the tremendous boom of the co-operative movement in the period immediately following the armistice. The presence of huge quantities of Liberty bonds in the hands of workers on whom they had been saddled by outrageous propaganda or by actual coercion made it easy to raise hundreds of thousands of dollars of new capital for co-operative stores and other co-operative enterprises; so that the movement was inflated and took on a mushroom growth not based on careful education or sound experience. It seemed as if the labor world were making up for its lack of imagination as to possible strokes of policy in other fields by a colossal spree of fantasy in the field of co-operation. The bubble was soon punctured, however, and the co-operative movement settled back into a prosaic development of its own.

Disappointment with co-operative air-castles was not sufficient, however, to prevent various unions from launching out into the field of business and finance by the use of union funds and union machinery. Particularly notable has been the development of labor banks, whose popularity seems to express a vague realization of the fact that the real controlling power in modern society is not the industrial capitalist but the financier. Labor tends to be captivated by the notion that the workers' savings can be used as a weapon in the industrial struggle instead of being turned over to capitalist investment institutions, where they may be used as a club against Labor. It is to be feared that it will be impos-

sible to develop labor finance to a sufficiently high degree to realize the hopes thus placed in it, and we can not disregard the fact that interest in such experiments has to some extent distracted attention from the immediate problems of unionism.

Such criticism must not, however, blind us to the fact that mature unionism tends to take on a complete range of activities covering the whole economic (and political) field. It is impossible to draw an arbitrary line and say that any particular type of activity is in itself inconsistent with sound unionism. We should rather stress the necessity of judgment and efficiency in what is undertaken, together with constant vigilance to guard against pitfalls that may damage the effectiveness of unions in the battle of Labor. More headway could have been made in the past decade if we had been bolder, keener, shrewder, more determined, and also better balanced.

On such a background we must view the growth of interest in the problem of production. In the past, Labor has tended to take the position that the employer is responsible for production, and that it is up to him to find sources from which to meet Labor's demands. Recent years manifest, however, shifting of position. In 1920 the A. F. of L. declared that Labor is not opposed to capacity production; that the A. F. of L. has laid down principles that would result in greatest effectiveness of industry, through Labor's joint voice in control. Attention was called to the appalling inefficiency of management, and it was declared that adoption of full co-operation in industry would forever solve the problem of production in this country. "We propose the means whereby the world may be fed and clothed and housed and given happiness. We have service to give and if permitted to give freely and on terms of manhood and equality we will give in abundance." The demand herein implied was headed up at the Portland convention of 1923 in the program of "industrial democracy", which signified the control of industry by all the necessary participants, not excluding, of course, the "legitimate" investor and the management.

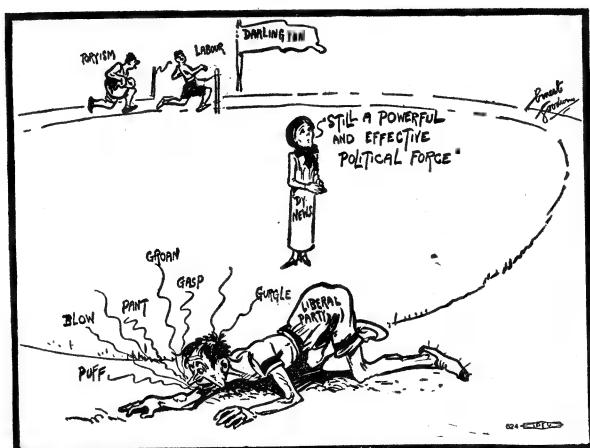
More recently the leaders of Labor have begun to realize that the projected increase of output can scarcely be obtained unless Labor gets a greater purchasing power with which to buy the products of industry and thereby keep in motion the wheels of production. Some such logic is implied in the 1925 demand for a wage advancing with the increase of productivity. It is remarkable how closely the official leaders of Labor are endeavoring to accommodate their program to the current tendencies of economic thought. Evidently there is going to be in the labor movement an increasing role for the expert in matters of industrial and business economics. Some will say that Labor is coming of age.

TOWARD "SOCIALISM" IN BRITAIN

GOVERNOR SMITH of New York recently had occasion to welcome Charles Evans Hughes, the reactionary ex-Governor Miller and even Owen D. Young of the General Electric as members of the Socialist Party. The governor's housing and water power projects had been denounced as "Socialistic" by the Republican and reactionary newspapers of the Empire State. And thereupon, with a show of humor, "Al" had revealed that the leading Republicans themselves were committed to public control of water power.

In Great Britain steps that would be regarded as "Socialistic" here, are adopted by the Tory Government and advocated by the fast-disappearing Liberals, in a desperate effort to patch things up and prevent the return to power of the Labor Party.

"Private enterprise" is becoming a meaningless word in the Imperial Isle. Last summer it was a government subsidy to the coalowners. Now, Baldwin's group go farther and even lend money to two private firms, to open up new coalfields in Kent. "Private enterprise" is leaning more and more on the State, which is thus helping in the exploitation of the workers. The miners demand, of course, that there be a real nationalization and democratization of the industry—to prevent the sins that have blackened the record of British coal through the years.



Labor startled Britain the last month by capturing Darlington—for years a Tory stronghold. The London Daily Herald thus "kids" the Liberal press on that party's poor showing.

tionalize the Bank of England. This powerful institution, chartered by the State, but controlled by a little, capitalistic clique, would become fully public property by this act. The directors would be appointed by the Chancellor of the Exchequer, corresponding to our Secretary of the Treasury. And in the appointments, the various economic groups in the country would be given representation.

Most startling of all, perhaps, was the news—already reported here—of Lloyd George's public commitment to nationalization of the land. At first, the tricky little Welshman came out for immediate nationalization, to take place on a set date. He denounced any policy of "graduality", as he called it—any nationalization of the land by slow processes. After nationalization, the land was to be turned over to the farmers on lease. But when the Liberal Land Conference met last month, Lloyd George was compelled to bend beneath the torrent of criticisms from his wealthy supporters. Little was finally left of his nationalization scheme, except the name. After whittling and whittling, the nationalization was to go through only farm by farm—and then, only when the owner would sell and local state authority would buy.

Nevertheless, it is a sign of the trend in Britain that Lloyd George saw the need of trimming his sails toward the Labor wind. Nationalization will become an increasingly prominent program for British industries. The question Labor is interested in is: Will it be accompanied by Workers Control?

Upon the answer to that question depends the whole value of the new turn of the tide in British economic affairs. The organized workers know full well that "State Socialism" is merely "State Capitalism"—and that it may become even more bureaucratic than the present intolerable mess. Any reaching out of the State for a wider grip on industry must be accompanied by a definite arrangement for the organized workers to be in control of the machinery of management.



Premier Baldwin's electric development scheme looks to the State to help private interests in line with his new special policy.

The use of state credit in salvaging "private enterprise" has raised a number of questions, which are being answered by the Labor Party. If the grants were carried on along scientific lines, with care exercised to see that the workers were cared for justly, and with a view to making "private enterprise" dependent on the State, the Labor Party apparently would not be opposed to such steps. Through wide use of public credit, there would come a growth of public power. At least, so runs the argument. Thereby would the community come more and more into its own.

Another and definite answer has been given in the move of the Labor forces, through Mr. Maxton, to na-

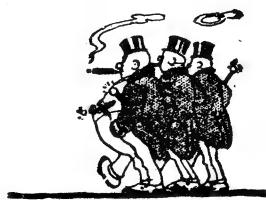
Now, what's the difference, I am thinking, between selling stock when there isn't any stock or selling stock that you make the workers and others think is got some "kick" and "power" to it, and there's no kick and power? You know what I mean. Prof. Ripley just showed it up; that all this talk about getting "industrial democracy" through wide stock selling is bunk. That's all; bunk. And even little Calvin saw the idea, and said he'd look into it. And he's been looking into it ever since, asking his old friend Andy Mellon how to think out some better scheme. There's just as much fraud in one as in the other, take it from me.

So what's moral turpitude for the little stock-sellers, is moral for the big stock sellers and the banker is no bandit, though he follows bandit's methods. Or something like that.

Both cream and scum come to the top, you know, and it's damn hard to tell in this here case which is which. A silk hat looks the same on the heads of banker, bandit or bootlegger, they have been telling me.

So that's that. And if you figure on buying any stock, just figure on being stung. You'll be like the little lambs that walked into the pit the other day in Wall Street, and found that they had lost everything—everything, I'm saying—in that little downfall of stock values.

And that talk about Wall Street, reminds me: If there's so little difference between a banker and a bandit—if we're agreed on that—what difference can there be between Wall Street gambling and running a little crap game around the corner? Darn if I can see any difference—though they tell me there's a fine book called *PROFITS* which spends a lot of time trying to prove that they're two far-apart enterprises. And that there book also says Big Business must make profits to cover its



Banker, Bandit or Bootlegger?

risks. And blamed if I can see the difference between plain, down-right gambling and that sort of a way of doing things. A risk is a gamble. One man, being a better risker or gambler, wins in the business game. And that's what they call the Profit System.

UXTRA!!!

Great "Labor Age" Conspiracy Unearthed

HUSH! Tell it in whispers. We are discovered. Things that we did not know about ourselves are given to the world.

The NEW YORK COMMERCIAL did it—with Fred Marvin's little pen. Fred is a broken-down newspaper man, looking for a meal ticket, and finding that he could get it by scaring the Babbit-readers of the COMMERCIAL into cold sweats of fear. He discovers a new conspiracy every morning.

Lately, he found that the Managing Editor of LABOR AGE had gone on a Western speaking trip. "Ha! A conspiracy!" hissed Freddy. Then he unfolded to his gaping readers the dreadful news that Louis Budenz was a secret emissary of Senator Norris, sent forth to unearth 'evidence' against the Interests. Said evidence to be turned over to Senator Walsh, for another attack on the Coolidge Administration and its backers. We are delighted at the compliment. Look for the next big "expose" in Washington. LABOR AGE is responsible for it, says the imaginative Freddy. Look for the victory of the "Progressives" in both parties at the coming Congressional elections. We are to blame for it, cries the COMMERCIAL. To which we can only add: "What boobs our Babbitt brethren be!"

Maybe I'm not so smart; but it looks like another case of "moral" for the Profit System of Gambling, and "turpitude" for the crap shooter. Now, you can call me any names you want, but I'm again' any such System. Because I ask: If those risks are so big, that they require and demand and must have such big profits, why don't the community, workers or "the good old U. S. A." take over the risks and the profits that go with them. Yes, sir; I'm all for that.

Of course, the worker don't take any risks at all. So, he don't get no profits. Now, you take when there's a let-down in industry, as they are telling us, the workers just keep on working. The bosses give up their dividends and their fine houses, because they bear the risk. And the worker, he don't have any unemployment, because the bosses is seeing to it that he don't have to worry about risks. Did you ever hear of any thing like that under this here Profit System? Like fun, you did, brother.

Those there risks, they are "moral" for the bosses, and "turpitude" for the workers. So take it or leave it. I've said my say.



J. F. Anderson of the Machinists

LINCOLN: "I THOUGHT I HAD FREED THE COLORED MAN."

(See page 18)

A Company Union in Oil

By ROBERT W. DUNN



"Last month I was employed by the Standard Oil Company at Bayonne, N. J. They have a company union. The rules provide that first of all you must try to adjust your grievances with your foreman. I did but didn't get anywhere.

"Then I went to the delegate who was supposed to represent the workers. It was his duty under the rules to present my grievance to the superintendent. After stalling around for a while he told me I didn't have any grievance. Within a few hours I was fired. Then the foreman with whom I had the controversy was fired and the delegate who was supposed to take care of my grievance was given the foreman's job.

"The delegate knew where his bread was buttered."

—A correspondent in "Labor", Jan. 2, 1926.

THIS may not be a typical sample of Rockefeller industrial democracy at Bayonne. But, to use the language of the personnel playboys, "it indicates the range and possibility of employee representation devices." Usually, let us say in 9999 cases out of 10,000, the foreman is not discharged—only the grievance-bearing worker.

A Bit of Bayonne History

The reader is probably aware that the "New Day" of company unionism has arrived among the oil refineries over in Jersey. The events which led up to it are worth a brief review.

In 1915 a 10-day strike for a 15 per cent wage increase evoked armed guards with rifles, a considerable number of hours of violence, and a promise that the strike leaders would receive "no-discrimination" treatment when they returned. After the strike the company characteristically blamed the whole trouble on "outside agitators", but proceeded to grant a 10 per cent increase in wages.

In 1916 came another demand for a 20 to 30 per cent wage increase and more decent treatment by company foremen. The demands were refused and a bloody and bitter strike followed. The strong arm guards and hired

gunmen did their worst. Several shootings occurred. The company won again. The workers were driven back to the refineries, this time without any semblance of a gain in conditions.

It will be remembered that following the prolonged strike of miners in Colorado in 1913, which witnessed the Ludlow massacre of innocent women and children by Rockefeller gunmen, a "representation plan" was introduced in the mines of the Colorado Fuel and Iron Company. When it was found that this plan worked in the interests of the company, and that it was a paying financial investment, the Rockefeller interests decided to introduce it among their oil workers. In 1918 the three refineries of the Standard of New Jersey at Bayonne, Jersey City, and Elizabeth were brought under the plan. Later it was adopted with slight modifications in other refineries of the Standard of New Jersey at Baltimore, Parkersburg, West Virginia, and Charleston, South Carolina, as well as in the plants of several subsidiary companies, and in the production and marketing divisions of the company. They have remained under it ever since. The notes which follow deal with the plan as it functions in the New Jersey refineries.

Plan Useless to Secure Wage Increases

In 1924 when the workers, through their "representatives" elected under the provisions of the plan, presented a request for a 10 per cent increase, the plan creaked and groaned but did not quite go under. The news "broke" when the company refused to grant the requested increase, by no means the first time it had turned "thumbs down" on a wage advance. At the time there was some talk of a strike but it blew over quickly. The workers, though defeated and detoured up blind alleys at every step of the way, had been well "psychologized" by the plan and its promises. They had no will, and *no union*, with which to take effective measures to improve conditions. They were helpless, caught in the meshes of the "plan" they had accepted. The best the "representa-

LABOR AGE

tives" could do was complain weakly that they had been "fairly swamped" with company statistics. It was a shame and a sham, they felt, but a shame remains a shame, and a sham remains a sham, until some organization arises to smite it. The workers had no such organization. Trade unions had never been permitted them. Standard Oil officialdom had always contended that trade union "agitators" were made to be clubbed, indicted, and "kicked out of town."

Installing the System

It goes without saying that the "plan" was scientifically introduced by the tested insinuating methods of modern "employee acceptance." It had been painted in sanguine colors by the management. Its purpose was described by the president of the board of directors as "primarily to provide conferences where the opinion and viewpoints of employees and management on all such questions as wages, hours, and working conditions could be presented and discussed." The LAMP, the Standard's employee magazine, edited by a company official, had sung its praises. The daily papers, read by the workers, had dutifully copied the press releases shouting hosannas to the *New Spirit in Industry*—the constructive, positive, forward, onward and upward step the Standard was taking in adopting the plan. The stage was set for personnel miracles and the human engineers and labor directors gathered about to see the ancient revolutionary strike dragons electrocuted by the intelligent use of "salesmanship" among the workers. This hymning was not in vain. The plan "took", and it is working today after a fashion. Take a look at it.

The Appeal—to the Company

Like other company union plans adopted in large-scale industry where the contacts between management and workers grow ever more remote, this representation system serves, at best, merely as a medium of indirect communication between the company's executives and the workers. Before the plan was introduced, the worker complained to boss or foreman. The foreman listened sometimes. More often he snarled and cursed and fired the complainant. Under the "plan" he keeps on snarling and cursing if he wants to, but the worker can then go to his "representative" and may get a chance, assuming the "representative" is honest and interested, to pass his grievance on up from the "representative" to a Personnel Office; then to a division conference; then to a works joint conference or an executive council; then to a general superintendent of the plant; then to a general manager; then to a manufacturing committee; and finally to a Board of Directors of the company. And the

appeal right depends upon a split vote in the various lower conferences. Should a division conference be unanimous and the general superintendent sustain the decision, the appealing business stops there. . . . However, if the worker is lucky, he can appeal on and on till he reaches God's Anointed Themselves—the company's Board of Directors. And then, when he reaches the very throne of mercy he can see for himself how just and reasonable are the Almighties of Oil. This one fact stands out above all others, viz.: that in the final decisions on these matters neither the worker, nor his "representatives" has anything to say. No real power is delegated. The ultimate and immediate power rests solely with management. It is the company's show. It pays the piper and it calls the tune. The "barrel-rustler", or the "pitch room" hand, can petition and appeal and advise and recommend and confer and consult and go through all the motions of having genuine legislative powers, but the worker is limited to these harmless diversions and to these alone. The Tsar and his court at 26 Broadway, New York, decide the fate of the oil workers.

In a few of the works council and company committee plans now contagious in American industry some form of "outside arbitration" is provided. Arbitration is usually a delusion and a snare and is stoutly opposed by the American Labor Movement. But even this meagre opportunity to gamble on getting their throats slit is denied the Standard Oil employees under the plan. Not even an outside Republican or Democratic politician may be called in to act as "impartial" arbitrator, as under the plan of the Standard of Indiana. The final vote, as we have said, rests with the strong, bold, self-made Captains of Finance, Sunday School Teachers, and Labor Relations Experts at 26 Broadway.

"Collective Dealing"

Yet some of the workers in Bayonne may tell you they think they have something like collective bargaining. At least the company program talks of "collective dealing as to all matters of mutual interest." If to sit in a "Joint conference" and express opinions and listen to propaganda talks by the company personnel force is "collective dealing" the Standard Oil workers have it a-plenty. But this is not collective dealing as understood by the trade unions of America.

It should also be noted that none of the so-called joint councils dare discuss questions of general company policy, even those relating to promotions, transfers, annuities, job analysis, discharges, layoffs, welfare benefits, etc., provided by the company. On these matters "representatives" are not consulted.

And when the joint councils do meet it is at the call of the company. No regular meetings of an executive council, for example, are held. They gather at the discretion of the superintendent. Although some of the conferences are supposed to be called quarterly, these too are usually left to the company superintendent to call. He may postpone them arbitrarily two or three months or until some important controversial issue like a wage increase has blown itself out in discussion among the men, and the sky cleared for the company. Delay in answering important appeals and requests is another method of staving off possible "harmful" and "hasty" action by the workers. A resolution, for example, may be introduced in a plant joint conference in July and answered by the company in December. In the meantime, the workers wait patiently for the consideration of their case which hangs fire just about as long as the management cares to have it hang. As under the Pullman plan, discussed in these columns last month, a literal grave-yard for grievances is thus created.

Moreover, the usual inequalities characteristic of company union plans are plain to any who have studied Standard Oil representation. The company "representatives", for example, are not, as under some plans, permitted to meet in separate conclave and caucus to decide just how they will present their case before the joint conferences. The workers generally are denied all separate meetings for the same purpose. The company feels it is better for them not to meet alone. They might develop an idea not acceptable to the management; and besides it might lead to an accentuation of class differences—who knows, perhaps to Bolshevism, and to what the company fears even more than the Bolos—real trade unionism. "No," says the company, in effect, "it is best to keep the workers under our own wing. Anything they have to say, let them say it in the presence of management. That sounds fair, doesn't it?" It does. All the words of management *sound* fair. The fairest words ever uttered by Capital come from the lips of E. H. Gary and John D. Jr.

No "Outside" Spokesman

There is also the handicap complained of under almost every company union plan we have examined—the right to a separate professional spokesman or advocate independent of management, a trained person to act as the mouthpiece of the workers in wage conferences, is denied them. Just as under the plan of the Shell Oil Company of California, and under practically every company union in the same field, as well as in American industry generally, no outside spokesman is permitted. The proposition is unthinkable to management. For it would give the workers the same privileges enjoyed by

the company—viz., to hire specialists to present their side of the case. Of course the workers couldn't hire a specialist to represent them anyway, as they have no locals or dues or assessments, as do workers in a trade union. They are therefore in a poor position to ask for a professional outsider to argue their case. The minute they did that, they would be accused of copying the practices of trade unionism and of rank "disloyalty" toward, and lack of confidence in, the company. The management would lament that the workers have no trust in it. And how can peace and complete co-operation and good will in industry prevail when such a condition exist? No, a "full time man" to represent the workers smacks of the business agent, and the walking delegate. "It would never, never do," says the management.

All this leads straight to the conclusion that the workers are at an overwhelming disadvantage in contrast with the company. The latter has its paid talent to manipulate the statistical data on wages and cost of living figures. The workers have no means whatever for checking up on the company figures. They are therefore wholly at the mercy of the company in such vital matters as rates of pay. The company can argue that it pays the "prevailing scale of wages" which in turn are determined by "the law of supply and demand." It can reel off figures and averages and completely smother the helpless committeemen with graphs, charts, and blackboard demonstrations. The conference delegates, if they are good boys, can then wag their heads just one way—and that way means assent without thought. To do otherwise would be a form of *lese majeste*—if not insubordination. And "insubordination", incidentally, is one of the misty crimes for which a worker may be fired out of hand without redress. When there are no more definite reasons in the company's mind "insubordination" is a handy blanket provision that covers a multitude of misdemeanors. Indeed, any worker who needs to be gotten out of the way, can be disposed of quickly without notice, under this head, or because of a dozen other tiny mistakes, technicalities, and breaches of company "discipline". There is also the foreman's power of not recommending a worker for promotion who as "representative" under the plan may have been too active on behalf of his fellow workers.

Company Sets Wages

As we have seen, the important questions of wages and hours are determined by the company in advance of consideration by the joint conferences. As one impartial student who examined the plan thoroughly and at close range says:

"Many of the men feel quite strongly that the Company

THE
"COMPANY
UNION"
IN
SESSION



ONE BOSS
TO THE
OTHER:
"WE GOT
IT ALL
FIXED".

comes to a Joint Conference with its mind already made up on the wage question, and that the subsequent discussion has little effect. One shrewd old employee, with a score of years' service to his credit, smiled when asked the effect of industrial representation on wages, and answered decisively, 'It took two strikes and a war to raise wages in this plant . . . don't forget that!'

The same investigator points out the purpose of the plan in serving as a smooth device for injecting a wage cut and getting it accepted by the workers without disturbance. Then a certain bonus that had been given the workers was removed years ago, the joint conference played a useful part in "a delicate situation" as the writer terms it:

"They undoubtedly helped the Company to make a ticklish adjustment of wages without provoking trouble. But the joint conference as a council of the two groups most interested in the question, did not face the problem and propose a solution. The Company did that. The joint conference played its part as an intermediary between a decision of the Company and the acceptance by the men. Its function was educational, not deliberative. The only way open was acquiescence."

In other words the joint conference could sign O. K. on the dotted line and then "explain why" to the workers. The functions of press agent, butler, and office boy combined—and particularly effective in "selling" an unpopular decision to the workers.

Trade Unions—What Have They Done About It?

Trade unions were active now and then in the early days, and various socialist groups aided the workers in the strikes of 1915 and 1916. But in recent years there has been scarcely any effort at organization. The boiler makers and other craft unions that once figured in the refineries have lost members and all the meagre "recog-

nition" they may formerly have received from foremen and plant officials. Some 25 or more crafts exist in the plants. It is obvious that only a miracle could bring about a federated drive of craft unions to gather in such workers as have become disgusted with the company plan and are ready to be assisted by "outsiders" in getting better conditions. The craft unions face the same problem here that they face in steel and automobiles, and in general manufacturing. They find the mechanization of the processes, the elimination of the craft differences, the development of a more or less unskilled worker not qualified for any particular organization now in existence unless it be the International Association of Oil Field, Gas Well and Refinery Workers of America. But up to date this union has worked exclusively in the West and there without much success. Its membership is now only 1,200, and its highest membership figures (for 1921) reached only 24,000. It is reported that some attempts have been made through the A. F. of L. to organize a body, inclusive of all crafts, that could probably tackle the job at Bayonne and elsewhere in oil territory. The undertaking, however, was opposed by such craft unions as the carpenters and bricklayers. These unions do not care to lose per capita dues through such an amalgamated and unified movement attempting to enroll the 15,000 men in the various refineries of the New Jersey district.

The situation, like that in other industries, calls for a reorganization of the craft unions on an industrial basis. The only sort of union that that could ever dream of lining up the oil workers would be such a union aggressively handled and backed by a united labor movement. Only such a union could point out the weaknesses of the company unions and the hypocrisies of the company.

Unions or individuals who wish to help in breaking the company union on the Pullmans can send in contributions to Roy Lancaster, Secretary, Brotherhood of Sleeping Car Porters, 2311 Seventh Ave., New York City. The rotten conditions among porters and maids, you will recall, were outlined in our last issue.

Pioneer Youth's Conference

By J. S. LIEBERMAN

REPRESENTATIVES of over one hundred labor unions gathered in New York on March 3rd to consider what might be done to inform the growing generation of the truth about the Labor Movement, and to counteract the anti-labor and anti-social propaganda of groups such as the Chambers of Commerce.

This is the third year that such a conference, under the auspices of Pioneer Youth, has been held in New York, and each year the conference has been larger and more representative. Pioneer Youth was formed at the first conference in 1924 and has since aroused much interest among trade unionists in child education and development. It has carried on some very interesting experiments in New York and Philadelphia—among them a summer camp for workers' children and twenty-eight clubs for boys and girls eight to eighteen years of age.

Among the 145 unions interested and cooperating with this movement are such important groups as the International Association of Machinists, International Brotherhood of Firemen and Oilers, American Federation of Teachers, the Ladies' Garment Workers' Union, the Pennsylvania Federation of Labor, Railway System Federation No. 90, Philadelphia District Council of United Textile Workers, New York Building Trades Council. The cooperation of important groups in the workers' educational movement is freely given to this undertaking and many educators interested in Labor, are eagerly giving their time to the advancement of this new movement.

Against the Junior Chambers of Commerce

Why this great interest in the children and young people of trade union families? Why this interest in Pioneer Youth of America and labor youth education? Joseph Ritchie, A. F. of L. organizer, gave the answer to this question when he addressed a Pioneer Youth Conference in Philadelphia last November. He said, in part:

"My activities in the movement taught me we have sadly neglected acquainting members of our families with our movement, and let me tell you we cannot win without our families. The Chambers of Commerce know better. They are establishing Junior Chambers of Commerce for our children everywhere. They have such organizations in West Philadelphia High School, North East High School in Philadelphia and in many schools throughout the country, and teach our children to view industrial conditions from the employers' points of view, training them to oppose the Labor Movement. Pioneer Youth is very important to labor and will mean much in the wholesome education of our children. Every trade union father and mother must become interested in bringing their children into this movement. The good that out-door life and summer camping will do for our children is incalculable. In my visits from union to union, I hope to do all I can to further this new movement."

Thomas J. Curtis, President of Pioneer Youth of Amer-

ica and Vice-President of the New York State Federation of Labor, in issuing a statement recently, had this to say:

"Pioneer Youth of America represents the extension of the principle of workers' education for children and young people in our midst. We felt that as it has been found necessary to develop our own workers' education movement, so now we find it necessary to form our own organization for the development of our children and young people. Pioneer Youth endeavors to help the children of America learn and appreciate Labor's share in modern civilization; inspire in them an earnest desire to understand social conditions and the problems that face us today, and to participate in Labor's struggle for a free and happier life."

The interest of labor in the proper and wholesome educational development of the children is of long standing. More than one hundred years ago it was the agitation of the trade unions in the country that brought about the establishment of our public school system. Now, labor finds that this very school system refuses to inform the children of the workers of the truths concerning the Labor Movement and the society we live in, and cooperates with anti-labor and anti-social forces in spreading wrong information and giving a wrong point of view.

Helping Our Children

Labor wishes to help its children grow into enlightened, vigorous and unafraid manhood and womanhood, understanding the social and economic problems we are faced with and ready to devote their energies to the work of bettering human society. Now, for the first time, there is an opportunity to develop a movement for children that will help labor in accomplishing these very things, and labor unions throughout the country are rallying to it. In addition to the 145 international and local unions in the East who have endorsed Pioneer Youth, requests are coming in from all over the country for more information concerning the movement and for advice and cooperation in forming children's groups. These requests have come in from centers as wide apart as the Kentucky State Federation of Labor, the Railway System Federation of Texas and the Seattle Labor College.

Pioneer Youth has established a summer camp for children of workers at Pawling, New York and expects to conduct two camps in New York State this summer and a third in Pennsylvania. Pioneer Youth clubs meet in all sections of New York City and Philadelphia and have varied activities to meet the interests and wishes of all the children reached—athletics, hiking, dramatics, music, handicrafts and discussion, etc. The work of this new organization is growing. Organization Committees of Pioneer Youth are preparing the way for thorough-going work with children in half a dozen industrial centers and labor youth education promises well to become a new, permanent and very useful department of the American Labor Movement.

Correspondence Lessons

Furnished by Workers' Education Bureau

By C. J. HENDLEY

LESSON X.

The Open Shop Drive

Its Limited Success

THE Open-Shop Committee of the National Association of Manufacturers made a report on its activities at the 30th annual convention of that Association at St. Louis in October, 1925. The Committee declared that the open-shop movement had made substantial progress since it sprang up spontaneously in 1920, and that the power of the unions had declined in the building trades, in printing shops, in the railroads, and in the soft coal regions. It estimated that about 10 per cent of the gainfully employed persons were still working on the closed shop basis. It admitted that the union shops were more powerful than this figure of 10 percent would suggest. For the unions are established in key industries, that is, the important industries of clothing, building, printing, machine and electrical works, transportation, and anthracite coal. This strategic position enables the organized workers to exert a wide influence in setting the general standards of labor throughout all industries. We gather from this and similar reports that the open-shop drive has not had the overwhelming success that was predicted for it.

Nature of the Open Shop Drive

The open shop drive of the last five years is one of the sensational events in American industrial history. It began in 1920 when employers eagerly seized the opportunity which the industrial depression gave them that year to check the progress of the union movement. It was a phase of the return to normalcy. Many factories and other places of business had to close down in the latter part of 1920. This caused a large amount of unemployment. This in turn made possible drastic reductions in wages and the abolition of many favorable conditions of labor that had been secured during the days of great prosperity. In all parts of the country powerful organizations of employers began a crusade against union labor. They demanded the open shop plan, which, in reality, meant the non-union shop principle. The American employers, unaware of the great social significance of the labor union, undertook to de-

stroy its power. Their action was as intelligent as that of the textile workers a hundred years ago who tried to destroy the machines that had robbed them of their jobs, but the leading corporations of the country were lined up in the crusades. The movement had the support of the most powerful aggregations of capital and organizing ability.

The movement was characterized by a tremendous enthusiasm. The flood gates of sentimentalism were opened again as they were in the days when we entered the World War. And the patriotic and religious sentiments of the people were capitalized for the benefit of the drive. The editors responded enthusiastically, and wrote thousands of sentimental editorials in support of the "American" plan of the open shop. Business boosters had the greatest opportunity of their lives to express their Main Street philosophy and emotions. For example, one of the Main Streeters of Beaumont, Texas, expressed himself as follows:

"There are several striking innovations in connection with the operation of the open shop movement in Beaumont, which cause it to stand out prominently. . . . In the first place, so far as is known, Beaumont is the first city previously working under closed shop conditions, which has had the red-blooded Americanism to stand up on its hind legs and shake itself free from the tentacles and shackles of the closed shop. . . . Another outstanding difference between the Open Shop Association of Jefferson County and all other institutions of this character, is that membership in it was not limited merely to employers; it was expanded to include every citizen in the community; the issue was pitched on the high plane of patriotism, of the preservation of the country versus its destruction, of Democracy versus Sovietism, and of liberty versus slavery. The entire citizenship was invited to declare itself as to where it stood, and as a result fourteen hundred and more members of this association consist of employers, doctors, lawyers, merchants, bookkeepers, and of at least one hundred laboring men. In short the membership consists generally of all those interested in fair dealing and civic righteousness outside of union labor." (Quoted by Savel Zimand in his pamphlet, "The Open Shop Drive").

Thousands and thousands of pages of such effusion

as this were spread throughout the country. In 1920 the "Iron Trade Review" listed 240 cities in which there were active open shop associations. During this period the American Federation of Labor lost about a million members. This loss, however, should not all be attributed to the open shop drive. Some of it was due to a natural reaction to the enormous increase in membership during the war, and some was due to the great amount of unemployment in the country.

The present open shop movement is but a spectacular episode in the permanent and fixed policy of the American employers. Ever since unions began to be formed, the capitalists have been trying to destroy them or render them of little consequence. And the movement is still going strong. Indeed, it is stronger than it was in 1920 when it was so militant. For more refined and more effective methods are being employed. Company unions, profit-sharing plans, stock ownership plans, group insurance controlled by the employers, use of detective agencies, and many kinds of welfare work carried on by employers for the benefit of their employees, are all designed to prevent workers from organizing independently of their employers and making their own demands.

Why the Open Shop?

The nature of the present industrial system is such that the employers naturally seek to destroy or undermine the power of the unions. The capitalist owns the jobs, and the workers own the labor power that must be applied to those jobs. It is fundamental to the capitalist system of production that production costs be kept down to the lowest possible point. And in their efforts to accomplish this, the capitalists regards labor on the same basis as he regards machinery, other equipment, or raw materials. He buys them all as cheaply as possible. So far as the employer is concerned, labor is a commodity to be obtained at the most favorable price. Intelligent workers naturally object to selling their labor power at the lowest possible price. They are not satisfied with a subsistence or a bare living wage. They demand an increasing share in the increasing out-put of an improving system of industry. This conflict between the employer's desire to hire labor cheaply and union labor's demand for an increasing share in the products of industry is the underlying cause for the open shop movement.

The "American Plan" Is Bunk

The sentimental talk of employers about their defending the freedom of their non-union workers to work under whatever conditions these workers please to accept is just plain bunk. Gary's pleading for the right of his unorganized workers to remain unorganized is like the

devil quoting scripture. Gary is an autocrat, ruling an autocratic system. Neither the workers nor the vast majority of the stockholders of the United States Steel Company have a voice in the management of the company. Autocratic management is fundamental in the present-day business organization. It would be as impossible for business managers to promote the freedom of their employees as for lions to change to a vegetarian diet. If employees were allowed really to exercise any control over their jobs, an entirely new type of business manager would have to be developed. The present type of manager is as autocratic as an army officer. He has absolutely no sympathy with industrial democracy. Any manager with such competitive sympathies would soon be put out of his job by the competitive forces operating in business.

Employers will not tolerate any interference with their own right to organize. They insist on their right to monopolize and control industry, and this necessarily denies labor the right to organize effectively. Of course, generous employers raise no objections to unions that are weak and ineffective. They even tolerate union men in their shops, if those men are not active and influential unionists. Active unionists with personality and influence are troublesome agitators to be gotten rid of.

The Employers' Right to Organize

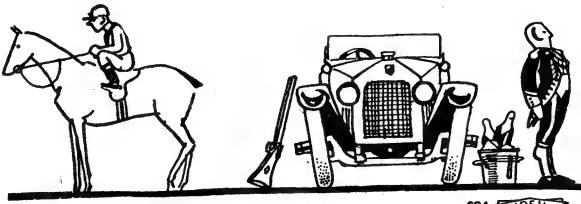
The owners of the jobs that workingmen must have are, of course, thoroughly organized. The thoroughness of their organization is described as follows in "The Final Report of the United States Commission of Industrial Relations", which was published in 1916:

"The control of manufacturing, mining, and transportation industries is to an increasing degree passing into the hands of great corporations through stock ownership; and control of credit is centralized in a comparatively small number of enormously powerful financial institutions. . . . The final control of American industry rests, therefore, in the hands of a small number of wealthy and powerful financiers.

"The concentration of ownership and control is greatest in the basic industries upon which the welfare of the country must finally rest. With few exceptions each of the great basic industries is dominated by a single large corporation, and where this is not true the control of the industry through stock ownership in supposedly independent corporations and through credit is almost, if not quite, as potent. In such corporations, in spite of the large number of stockholders, the control through actual ownership rests with a very small number of persons. For example, in the United States Steel Corpora-

(Continued on Page 29)

enough to do just being a strong, silent man. And so, when his friend told him what Socialism really was, he knew, doubtless with that instinct for self-defence which nature gives to hunted animals and millionaires, that his friend was right. And his friend told him, amongst other things, that the funds of the "infamous Bolshevikised I.L.P." were derived "from trouble-seeking aliens abroad, self-seeking aliens at home, but mainly from involuntary contributions wrung from the pockets of the Trade Union working man."



His Wants Are Small

The gentleman still thought, however, that the Socialists might mean well, but his friend soon scotched that by showing him their war records—how they "preached

the secret word to the enemy and the knife in the soldier's back." That convinced John. As he said, he had always thought that they wanted to help the working class, but he "couldn't get round that record." He knew then that such people "must never rule a race of soldiers which, whatever its faults, has never let delusion blind it to the truth."

The upshot was that the gentleman stood for Parliament, and here we get a real insight into the I.L.P.'s methods. The constituency was a Socialist one, where the Member "helped himself out of the workers' pockets," while his son was mayor and ran the place on graft. There the Council "white wings" earned more than skilled engineers, whole families drew \$25 a week for nothing, and there were "more Communists to the square yard than fleas in a blanket." It was a fine piece of writing. The only thing, I thought, that marred its perfection was that it left me in doubt as to which blanket.

Then came the election, and the description of that ought to finish the I.L.P. for good. For, visualizing defeat, the Socialist candidate "summoned his toughs." On polling day he organized armed gangs, so that many of the voters daren't leave their houses, and at one meeting one of the Socialist's supporters attacked the gentleman with a razor.

Some people say that Mr. Frankau has got his facts wrong; that he is confusing the I.L.P. with the Communists and the Communists with something else that is not quite clear. Well, what if he is wrong in a few technical details? It's the spirit of the thing that counts. People who are in the wrong always fix on some trivial mistake of their opponents in order to try and escape. People try, for instance, to whitewash Nero by saying that he did not play the fiddle while Rome was burning, but that it was a mouth organ (*organus mucus*). To all that sort of argument I say Pish, except in the presence of ladies, when I say Tush.

What does it matter if Mr. Frankau, in trying to write

EASTON LODGE AND A VITAL QUESTION

WARWICK'S greatest earl, in the days that are gone, was known as the "king maker". The Countess Warwick of today has become something of a "labor leader maker".

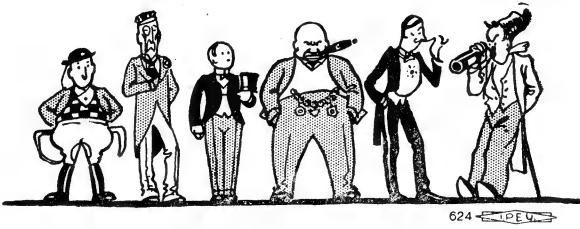
A Socialist of many years standing, she has just given her ancient country estate at Easton to the Labor forces for a workers' college. Americans as well as Britshers, it is said, are to be invited to attend its courses. Her main thought has been, to provide for the workers those educational facilities which the wealthy have at their disposal.

This is just one more move to the good in the growing Workers Educational Movement of Britain. While it is being put on foot, the "National Labor Colleges"—which broke away from the Workers Educational Association because of the "cultural" ideas of the latter—is asking itself a few questions. In the February PLESS MACAZINE, its official organ, the query is put: "Is the Labor College movement itself becoming too academic?"

The answer, given by J. M. Williams, is that it is. He warns that workers' education must not become too "educational", and that it must wrestle more than it does, with current industrial problems. Here is his thought, in his own words.

"Of course, we know that many lecturers and organizers already strive hard in the direction we advocate. They gradually substitute the problems of the hour for the more academic studies. But this is not enough. We need the national body to move forward with a more up-to-date policy. We need a general move—and a more rapid move. To give a concrete example of what we seek, we believe the N. C. L. C., with a bold lead from the Executive, should abandon at least 80 per cent of its ordinary activities within the next three months in order to prosecute a vigorous campaign centering upon the coal crisis. Class lectures as well as ordinary propaganda could be provided; emergency plans could be discussed and formulated. The maximum number of Trade Unionists would have the salient facts of the situation on their finger tips. The N. C. L. C. Executive would constantly strive at every stage to ascertain the precise needs of the trade unions and act accordingly. Such a step would establish a real understanding between the educational and the industrial movements. It would enable the N. C. L. C., in a manner hitherto unknown to it, to do good—and make good."

about the I.L.P., is unwittily describing the methods and theories of the Fascists or the Hungarian Monarchists or the Society of Awakening Magyars? His intention is just the same and the message of his masterpiece is clear. I'll just look through it once more and then perhaps I shall be able to tell you what it is.



Rulers of a Race of Soldiers

Labor History in the Making

By LOUIS FRANCIS BUDENZ

IN THE U. S. A.

GETTING THE STORY ACROSS

IN one respect, more than in any other perhaps, the workers' movements suffer immensely. It is, in the matter of presenting their views to those outside the Labor ranks. Local publicity is especially small in many cities, and the unorganized worker scarcely knows that a Labor Movement exists. Certainly, he does not know of the achievements of organization.

Of the many ways in which he can be reached, one of the easiest is through the daily press. Of course, it is ordinarily hostile to labor organization. Closely bound up with banks and advertisers, it has no love for the workers. But it cannot avoid for long, items which have a news value.

The job for the local labor movements is to create publicity by doing things which will attract attention. Another thing, is to prepare copy for the

papers in such a way as to make it easy for the city desk to handle it. The employers have highly paid publicity men and women, who prepare copy in just that way. Labor cannot pay for these, but it can acquire locally the technique of getting its news out in presentable form.

We are to run in these pages occasionally hints on local publicity. In the meantime, one great help to such is a live, efficiently and honestly conducted local labor paper. In Toledo, for example, where such a paper exists, the local movement has but little difficulty in securing publicity in local newspapers. In Cleveland, the same story can be told. The dailies seek labor news.

The thing can be done—and it is one of the initial steps in the "organization of the unorganized."

THE MASSACHUSETTS FIGHT

Organized Labor Again Protects the Unorganized

PRIVATE insurance companies have had a pretty soft time of it under some workmen's compensation acts. The worker has suffered, correspondingly. The more premiums the companies got out of the plan, the less relief the worker secured.

Profiteering off the injuries of the men of the mills and mines and factories must be put a stop to, in the judgment of the American Labor Movement. In the Bay State this profiteering has gone on at a great rate. Instead of the 90 to 98 cents out of every dollar collected going to the injured man or woman, as is the case in Ohio, only 60 cents is used for compensation. The other 40 cents goes to the profiteering private companies.

The fight is, therefore, on in Massachusetts for the driving of the private companies out of the compensation field. Exclusive state insurance, as in Ohio, is the demand of Organized Labor. President Green of the A. F. of L., President Frey of the Ohio State Federation and Chairman Thomas J. Duffy of the Ohio Industrial Accidents Commission have thrown themselves into the campaign, which is now at its height.

Tell of this fight to your neighbors! It is but one of the many efforts of Organized Labor for the unorganized

that is constantly being carried on. The workers compensation acts cover organized and unorganized alike. But it is the organized group that bears the brunt of the fight. Here is a talking point, to show the non-union man that he is a "slacker."

A REAL COOPERATIVE UNION BANK

HERE'S good news. The Headgear Workers Cooperative Credit Union is entering upon another year of service, more powerful and successful than in any of the years past. Organized by the Cap Makers Union, it has been established to aid the members of the Cap Makers, Millinery Workers and Hatters organizations.

Look for the story of what this credit union, democratically controlled and managed, has been able to do for its members. It will appear in our next issue. The important point just now is, to tell you that this is a real cooperative banking institution, not organized along capitalistic banking lines but according to correct cooperative principles. These principles have been tested and found not wanting in the experiences of the British workers. The Headgear Workers Credit Union is a distinct proof that the workers can do, in a democratic way, that which financiers are doing in an autocratic

fashion. Most striking of all, it has saved the needy headgear worker from the cruel exactions of the loan shark.

NORTHWESTERN COOPERATIVE SUCCESS

OUR brothers in the Northwest know about something other than independent political action. They know how to cooperate.

That remarkable creamery, the Franklin Cooperative, in Minneapolis, has had another banner year in 1925. For the last three years, its sales have grown as follows: 1923, \$3,106,992.27; 1924, \$3,301,591.70; 1925, \$3,533,175.13. Arising out of the milk drivers' lockout of five years ago the Franklin Creamery has become the largest in the Northwest. Its success is phenomenal when we consider that all its officers have been and are, members of the Milk Drivers Union. More evidence that, with the right personnel and the right union spirit in the community, Labor can do democratically that which is thought to be the special job of the employers.

At the same time, the Cooperative Central Exchange of Superior, the wholesale cooperative for the societies of the Northwest, reports sales of \$835,532.37 for 1925 as compared with \$613,214.56 for 1924. An increase of 36.2 per cent!

The delegates to the next Cooperative Congress, next fall, will have a real treat in seeing cooperation in full force. The Congress this year is to be held in Minneapolis.

FOR OLD AGE SECURITY

ALL workers are faced with the problem of oncoming old age. Denied a living wage during the years of health and vitality (we have Prof. Paul Douglass's testimony to add to that of the many authorities who have gone before him), the worker cannot lay aside enough to meet the demands of his years of incapacity.

Business itself has realized this to a degree. According to the National Industrial Conference Board, research body of the Employing Interests, 248 industrial corporations have pension plans, covering over 3,000,000 workers. The desire there is to create a corps of "loyal" and fairly satisfied employees. For, security for the future (contrary to old ideas) makes for better service.

Four states—Wisconsin, Montana, Nevada and Pennsylvania—have passed legislation looking toward protection of aged folks through a state pension system. Business has fought the law. Stupidly, the Employing Interests have looked upon these plans as too "paternalistic". Although they will stand for the long-discredited almshouse!

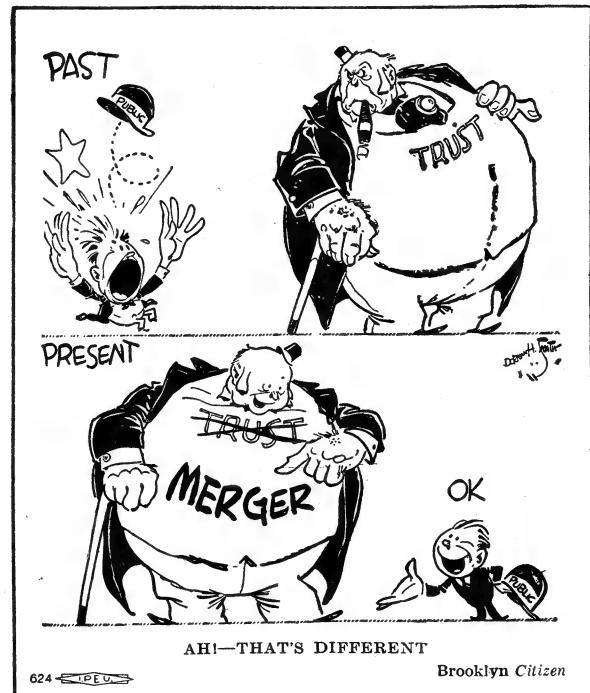
The United States Government has recognized the need for a retirement pension for its older employees. In 1920 a law was passed to provide such pensions, and has been in effect, therefore, for five years.

It has been well administered. But the law itself is hopelessly inadequate. It provides for annual pensions of merely \$180 to \$720, according to the wages of the employee before retirement. Other provisions in it are in need of amendment.

To meet this need, the Stanfield-Lehlbach bill has been introduced in Congress. It raised the maximum pension from the present \$720 to \$1,200, and improves the law in many other respects. Supported vigorously by the National Association of Letter Carriers (affiliated with the A. F. of L.), it will be of benefit to all postal employees.

Beyond that, it will be of benefit indirectly to workers everywhere; for the higher standards adopted by the postal service can be pointed to for improvements in old age pensions throughout the nation.

It is important that all workers support this measure, and advise their Congressmen and Senators of its value. It is also important that they make the most of it, in showing the "dividends" of union organization—when



talking to the unorganized man or woman. Even in the postal service, organization is of great value in the winning of a better deal.

"CHECK-OFF" FOR OFFICE WORKERS

FROM the hard coaldiggers of Pennsylvania to the white collar slaves of Gotham is a far cry indeed.

But the world is small, and the interests of the workers can reach a long way.

At any rate, this is the story. The miners, after a bitter struggle, have won the union check-off. That makes their union solid in the Anthracite. The office workers now demand the check-off in union offices in New York—and will get it. That will strengthen the union—so that it can tackle the hard problem of white collar organization in a wider field. In Britain and in France the office employees are well organized, and it is merely a question of time until the "tabloid readers" will follow suit in America.

Two Striking Events

\$12 A DAY FOR CARPENTERS

NEW YORK'S building tradesmen "knew what they wanted". And they got it. By the agreement just signed with the building employers, the carpenters will receive \$12 per day during the coming year. Other trades will be advanced, in corresponding ratio.

This is a signal proof of the effectiveness of strong organization. How many men, working under company union schemes, are receiving that amount of wages? We do not know. But it is safe to say, that but few of those "enjoying" the welfare and hellfare of the company-controlled bunk organizations can touch anywhere near that sum. Union men who are not getting it, in other industries, are hitting out for it; the purpose of Labor being, to get more and more, and never stop in its demands.

Twelve Dollars a Day is something. It is not enough. The carpenters will want more next year; and Labor in

all other sections will want more. Lately, we have been told that all cannot get such wages, so long as profit, rent and interest taking go on. A careful study, made by the National Bureau for Economic Research, indicates that we have not enough national wealth to allow wages of this amount and at the same time pay for capital and rent.

Does that fact, if it be a fact, disturb Labor in its demands? Not a bit of it. If the Profit System cannot go on and pay a decent wage to the producers, then Labor will demand an end of the Profit System. That money which is now going to rent and interest and profit will have to be diverted to the workers. But the demands of the workers themselves will be continued, regardless of Profit or Non-Profit System. That is the way to Real Industrial Democracy—a wider diffusion of wealth and opportunity.

THE BRITISH COAL CRISIS

AT last, the British Coal Commission has made its report. Like Young Fledgeby feeling for his whisker that never came, the Commission has groped around for a solution that solves nothing.

Seeking to straddle the counter-arguments of the miners and mineowners, the Commission has fallen between two chairs. Rejecting Nationalization, which was the miners' chief demand, it suggests state ownership of royalties, that is, of the mineral rights; with joint state and employers' control. Rejecting longer hours for miners and lower pay for rail workers, which was the mineowners' main contention, it requests an 11 per cent cut in wages for the miners themselves. Premier Baldwin's subsidy to the coal industry, which was the compromise last summer, is rejected likewise; with nothing left in its place.

Coal is certainly going to the bad in Britain. Nationalization, the remedy proposed by the miners, is the only way. It will have to be adopted sooner or later. The Commission's hope is to push it off a while longer, trusting to luck that something may turn up in time. Its recommendation that the State buy the mines, but that the mineowners run them, is an indication of their understanding of the gravity of the situation. The cost of such State purchase would be at least \$500,000,000. With mineowner management continuing, it would not do much to change the present impasse.

The Commission fails to answer the question: "What should be done on May 1, when the present subsidy expires?" The miners will certainly take no wage cut. Even if they wished to do so, the rest of Labor would not allow it. The wages of the miners are far below present needs, and an additional cut would only be an argument for cuts everywhere throughout Britain.

Fortunately, the coaldiggers do not stand alone. They have the full backing of the National Alliance—that

newly formed-group of transportation and kindred unions—and of the Trades Union Congress. A miners' strike in 1926 will be entirely different from the threatened strike of 1921, which ended in "Black Friday". It will be the signal for a general strike, of a magnitude which the British have not seen before. That thought may cause Baldwin to pause—and hit upon another subsidy or loan. He cannot evade that, since he still shies at Nationalization.

While awaiting the decision of the National Coal Commission, the miners have prepared for the struggle which they see ahead. They have appointed a committee to meet with the industrial committee of the British Trades Union Congress, for the purpose of joint action.

One thing was made clear by the Commission's hearings: the Mineowners have no program, except wage cuts, to offer for their badly harassed industry. Standing out prominently in their demands was the insistence that miners' wages be cut and that the wages of rail and dock men be reduced likewise, to decrease the transportation charges for hauling and shipping coal. Beyond that, the owners do not go.

The miners, as already reported, want Nationalization of the Mines, with workers' participation in control. They demand that the mines be linked up with the electric industry, under a Coal and Power Production Council. The miners' case was presented by a committee, headed by R. H. Tawney, the father of British Workers Education.

From an international viewpoint, Frank Hodges, secretary of the Miners' International, suggested an international coal pool, to control the world market. By this control, the present chaotic competition between countries could be cut down to a great degree, he argued. But, regardless of this suggestion, the British Miners are set on no wage cut. "Nationalization" for them is the way out—and for the nation as a whole.

In Other Lands

THE WORLD—AT A GLANCE

Fascism is the force which sets Europe's hair on ends, as Bolshevism used to do. The present fear is not misplaced. Although there are innumerable brands of Fascism in the various countries, they all have a common goal: the destruction of democratic government and the crushing of unionism. In Hungary the Fascists have been discovered in the biggest counterfeiting plot that Europe has ever seen. In Poland, they are moving for a reactionary dictatorship. In Germany and France they cry for royalist dictators, though with little chance of success. In Italy, of course, Mussolini is running rough-shod over every liberal group, feeling cocky at the favors shown him by the Tory Government of Britain and by the Coolidge administration. His former aide, De Rossi, has escaped, however, and threatens to expose the Fascist dictator. De Rossi was to have been the "goat" in the Matteoti murder, which Mussolini engineered.

In the countries of Northern Europe, the labor forces are gaining in strength. The defection of Sir Alfred Mond from the Liberal Party has been followed by the secession of a number of other Liberals. These have joined the Conservatives, because of Lloyd George's land nationalization scheme. In the last four bye-elections, Labor has gained greatly while the Liberals have almost disappeared. Darlington, a Tory stronghold, went Labor during the past month—an indication of the turn of public opinion. The line-up is now: Labor vs. Tory, with the Liberals fast disappearing.

A big strike of the engineering (machinists) trades in Britain is threatened, as the result of the lockout of mechanics in one of the large London manufacturing concerns. The engineering workers are making demands for wage increases, the employers not yet announcing their policy.

Looking across Europe, Turkey has not only adopted a more democratic form of government and the current Christian calendar. Its workers have also taken up trade unionism. It is understood that the Turkish unions will be represented at the coming Balkan conference of trade unions.

Stalin's views have prevailed in the Russian Soviet Republic. Zinoviev, head of the Communist International, thereby goes into eclipse. The dispute arose over the question of the middle peasantry—those peasants who have made progress under capitalistic conditions. Stalin stood for advancing their cause, while Zinoviev stood by the "poorer peasantry". A great number of other problems were bound up in the decision, which puts Stalin at the head of Russia's ship of state. The outcome is a victory for "Trotskyism"—as Labor Age forecasted at the time of Trotsky's fall from grace.

Over in the South Seas, New Zealand is prospering under its long-established Labor Government. This government now proposes to abolish the Upper Chamber of the State Legislature, corresponding to our Senate. In China, the radical Cantonese government is winning out in its contest with the British. The boycott on British

goods has almost ruined the port of Hong Kong. The demand that the port pay an indemnity to the Canton Strike Union will probably be met with favorable action.



"HANDS UP!"
Even the reactionary press is becoming impatient with Mussolini and his "warlak" methods.

"UNITY, UNITE, EINHEIT, EENHEID"

UNDER the above heading, the International Federation of Trade Unions (Amsterdam) discusses the agitation going on in various European countries for "Trade Union Unity".

In Britain, Belgium, Germany and Holland publications have sprung up, advocating union of the Russian unions, the Communist labor organizations which broke away from the "free" unions several years ago and the International Federation. In December the General Council of the Federation ruled that the Russian unions would be admitted, on the same basis as the organizations of other lands. But it set its face against the united British request that a conference be held with the Russians to discuss a possible compromise.

The I. F. T. U. state that it would welcome mediators who would be strictly impartial, who would distinguish between the policy of the Russian unions in Russia and the "disruptive" tactics of the Communist organizations in other countries, and who would not use "the united front cry in order to do as much damage as possible" to the long-established unions. It charges that the magazines which have sprung up, advocating unity in four different tongues, take only the Russian side and are thereby making unity a remote possibility.



Again has British Labor made the *Employing World* sit up, with its proposals on Nationalization of Mines—and joint coal and power production through the Nation. It is another historic document, pointing to the things which Labor means to effect, when it comes into full power.

Although the work of a brilliant committee representing the Miners, the Labor Party and the Trades Union Congress, the chief author of the report is R. H. Tawney. For years Tawney has given his energies and talents in a quiet way to the advancement of workers' education in Britain. He is a striking example—both in that work and in the coal report—of the real things that the "intellectual" can do for the Labor Movement.

Meanwhile, the British unions have renewed their request that something further be done about the Russian union question. The discussion is to be held in Paris in August of next year. There it will undoubtedly be settled for good—the British Trades Union Congress indicating that it will press the matter until unity has been established.

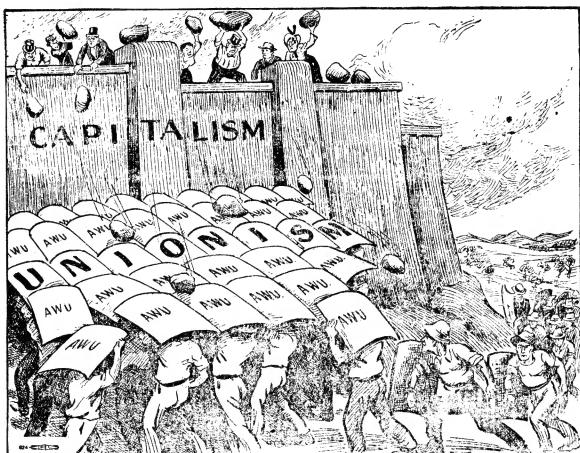
AUSTRALIAN TORIES HIT AT LABOR

NOBODY lied—when they said that Tories will go wild under fire.

Australia's central government is in the hands of the Tories, by a small majority. The states are in the control of the Labor Party, which has been gaining ground steadily.

Hitting out madly, the Tory Premier Bruce is seeking to make it a crime to advocate the overthrow of the Government. The measure is supposedly aimed at Communists or near-Communists. But it could be used equally well against the Australian Workers Union or the Australian Labor Party. The workers, as a consequence, are fighting it tooth and nail.

Bruce's anger arises from his failure to deport the leaders of the big seamen's strike, which has just come to a close. The courts held that he had no power to take such action. His proposed law against the workers has therefore budded forth. Indications are that it is a bad move on the Tories' part, and will strengthen the hands of Labor in future elections.



THE FIGHT
As seen by the "Australian Worker",
organ of Labor Movement there.

STORMS, SCHOOLS AND STEEL HOUSES

BOTH Europe and America have gone through a harsh Winter, with violent storms at sea. These storms have swept themselves into the British House of Commons. For through this stiff Winter, many British ships have put out from port without wireless operators.

The Labor Party, calling attention to this criminal neglect, has demanded a Court of Inquiry into the demands of the operators, who are out on strike. Neither Government nor shipowners want such a court. Indeed, the Tory Government has gone farther than this merely negative attitude, and has suspended the law which forbids any ship to sail without a wireless operator. The men are resisting an attempted wage cut.

"Economy" has filled the Parliamentary air, and caused other conflicts between Laborites and Tories. Lord Eustace Percy, at the head of the Government's educational department, has recommended deep cuts in the awards to local school districts for the coming year. This sudden spurt in "economy" on educational matters was compared unfavorably with the easy terms granted to the Mussolini Government. As George Lansbury, veteran Labor Member of Parliament, puts it: "Our children must suffer in order that Italy may buy more warships and more castor oil."

Then, there are the Weir Houses. The members of the Opposition welcomed the proposal which Baldwin finally made toward relieving the housing conditions of the poorer section of the Scottish working class. But the grant of a contract for 1,000 of these to Lord Weir, notorious anti-union employer, was fought bitterly by the Labor group. Lord Weir is an advocate of low wages, and his steel houses have been produced on those lines. The Labor Party did not wish to put itself in the position of opposing housing action which it had championed for years, although it preferred brick or stone to steel. But it let it be known where it stood in regard to Lord Weir and his piece-work system. The Government's measure was passed, of course, but it marks merely a "drop in the ocean" of needed housing legislation, as Arthur Ponsonby says. In his own district, 2500 persons are living in disused army huts and others in condemned slums—while within five minutes walk from the Parliament House, the foul housing of Westminster continues to challenge the M. P.'s to further action.

AGAINST AN AGE-LONG EVIL

By Roger N. Baldwin

TOLERANCE, by Hendrik Willem Van Loon. Boni and Liveright, 1925.

OF course this book is not a history of tolerance, because there never has been enough of it to make a history. It is the story of intolerance, built around the lives of its victims and the champions of freedom of opinion. It is a good job of informal, journalistic storytelling. And it's a story that every rebel against the colossal intolerances of today ought to read. He won't find it anywhere else. Van Loon has done the first and only job for popular reading.

If you know Van Loon's writing, you know that this book can't be dull, not in all its 400 pages. There's a lot of Van Loon in it,—wit, and sharp digs, and philosophizing in his easy, smiling way. It isn't conventional history. I don't know how it stacks up among the historians, and none of us need care a lot about what they think. It's probably as sound history as any of them write. And what's more it's history with running comments and interpretation. It sustains one theme. It piles up the evidence. It gives point and weight to Van Loon's general observation that "intolerance is merely a manifestation of the protective instinct of the herd". "Fear," he says, "is at the bottom of all intolerance. We are contemporaries of the people who lived in caves." There will continue to be intolerance, and therefore there can be no real progress "as long as this world is dominated by fear."

The book deals only with official, legal intolerance,—the tyranny of governments, the church, privileged classes cloaked with the authority of the law. He begins with an allegory of prehistoric days, when as now, the pioneers were crucified by one generation and worshipped as deliverers by the next. The story starts with the Greeks and runs through Rome, the early church martyrs and on into the inquisition, the reformation and the modern humanitarian philosophers and prophets. Most of it, of course, deals with religious intolerance, and with Europe as its scene. There is slight reference to America,—notably a few vigorous pages on Tom Paine,—and not much on England. The battle-ground of the struggle was western and central Europe,—the old oly Roman Empire,—and there most of the story lies.

The men whose lives are set forth in this struggle are both those celebrated figures familiar to us all, and an array of obscure and courageous apostles of tolerance of whom most of us never heard. Erasmus, Calvin, Rabelais, Spinoza, Voltaire, John Locke, Diderot,—of course are all there. But there is Servetus, whom Calvin burned at Geneva for denying the doctrine of the trinity just as the Catholic Inquisition would have burned him if they had got him first. There is Sozzini, who carried tolerance to Poland, where it lived a little while. And Arminius and Lessing.

Van Loon winds up with a sweeping look at the last hundred years, and sees a dozen intolerances where one grew before. The class struggle with its dictatorships, reactionary or revolutionary, racial conflicts, the revival

of religious persecution, the war of fundamentalism on science,—just to cite a few of them.

Laziness, self-interest or ignorance, these are the kinds of intolerance Van Loon sees. And he evidently figures it's a pretty hopeless job to fight through them to freedom. He offers no remedies. He makes no prophesies. He tells a plain and sober tale of power and fear and hate, and the eternal struggle of brave souls to win over them toward the truth they see.

There's only one real out about the book; it has no index. But we'll blame that on the publishers.

IN BRIEF

(Reviewed by Arthur W. Calhoun of Brookwood)

CAMPBELL, C. G. Common wealth. New York, The Century Co., 1925.

This book is a laborious attempt to provide a basis in economic thought and social philosophy for the control of the material basis of human welfare. As the name implies it looks forward to a time "when wealth must be treated as a common possession, designed for common ends and to advance a great racial purpose." This future order is to be "benignly administered by the more intelligent minority with the correct co-action of the majority." Thoughtful intellectuals may find the work useful by way of a review of theoretical economics, but it contains no obvious popular appeal and will scarcely commend itself to many labor readers.

W. E. B. COURSE

(Continued from Page 21)

tion, which had in 1911 approximately 100,000 stockholders, 1.5 per cent of the stockholders held 57 per cent of the stock, while the final control rested with a single private banking house.

"Almost without exception the employees of the large corporations are unorganized, as a result of the active and aggressive "non-union" policy of corporation managements. Furthermore the labor policy of the large corporations almost inevitably determines the labor policy of the entire industry. . . . The lives of millions of wage earners are therefore subject to the dictation of a relatively small number of men. These industrial dictators for the most part are totally ignorant of every aspect of the industries which they control except the finances, and are totally unconcerned with regard to the working and living conditions of the employees in those industries. Even if they were concerned, the position of the employees would be merely that of subjects of benevolent industrial despots. . . .

"In order to prevent the organization of employees for the improvement of working conditions, elaborate systems of espionage are maintained by large corporations which refuse to deal with labor unions, and employees suspected of union affiliation are discharged. . . ."

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PROMISE or MENACE?

In the Next (May) Issue of "Labor Age"

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